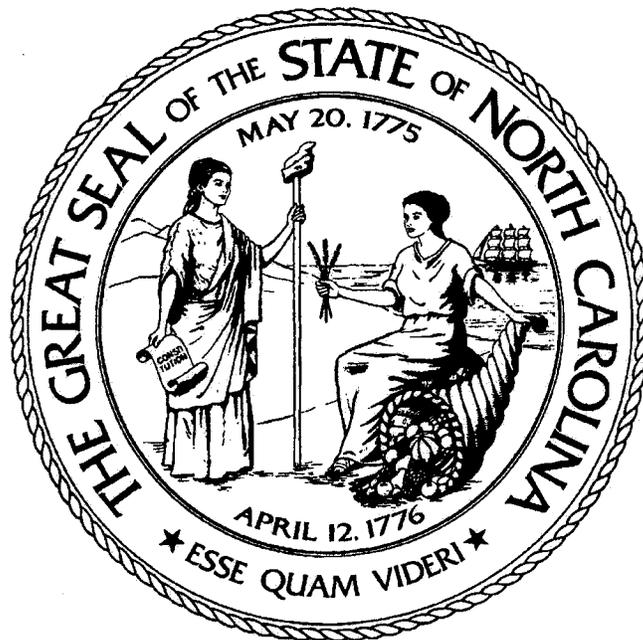


**2011-2012
JOINT LEGISLATIVE ECONOMIC
DEVELOPMENT AND GLOBAL
ENGAGEMENT OVERSIGHT
COMMITTEE**



**REPORT TO THE 2011-2012
GENERAL ASSEMBLY OF NORTH CAROLINA
2012 SESSION**



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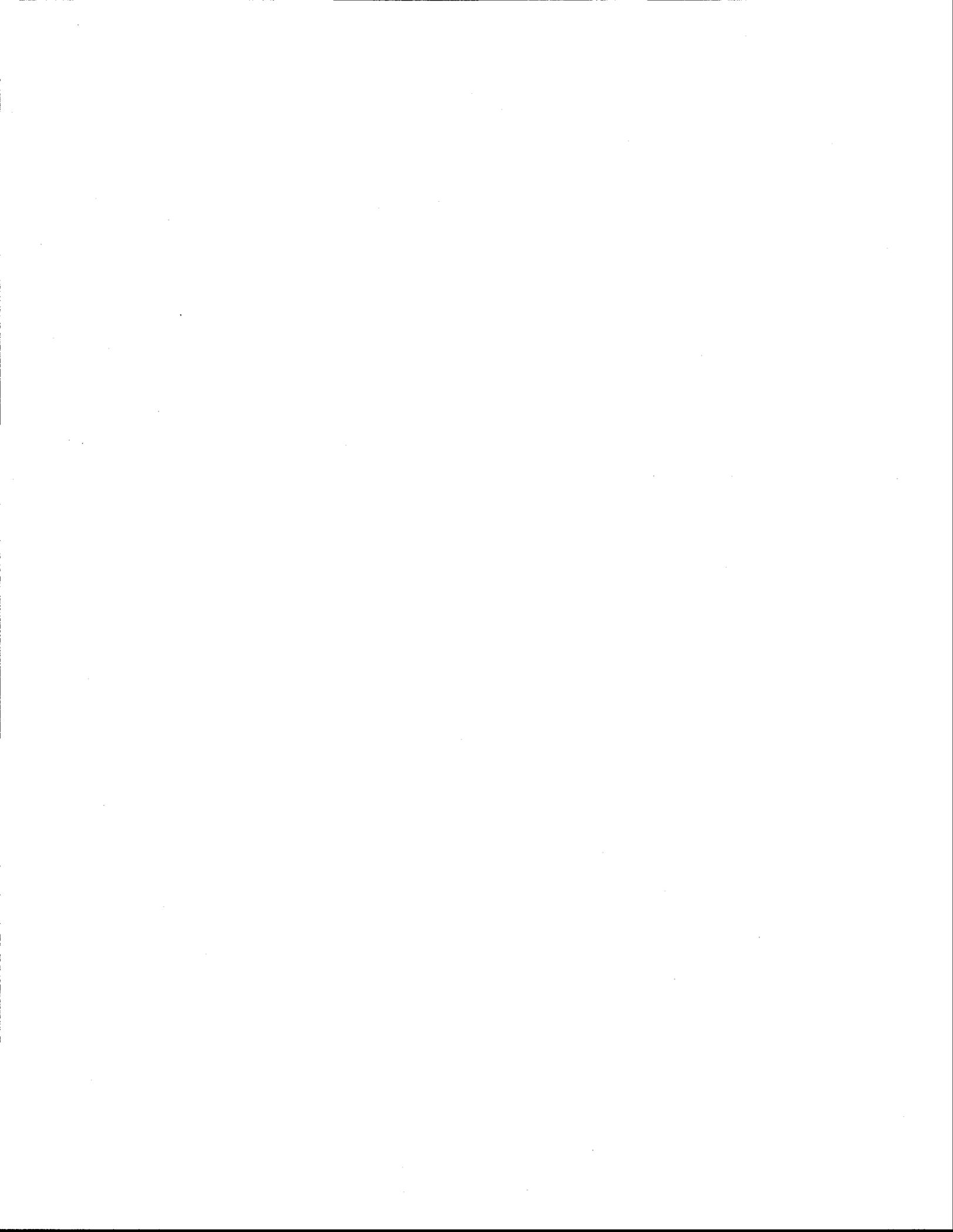
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**JOINT LEGISLATIVE ECONOMIC DEVELOPMENT AND GLOBAL
ENGAGEMENT OVERSIGHT COMMITTEE**

*State Legislative Building
Raleigh, North Carolina 27603*

Senator Harry Brown, Cochair

*Representative Jerry Dockham, Cochair
Representative William McGee, Cochair*

May 3, 2012

TO THE MEMBERS OF THE 2012 GENERAL ASSEMBLY:

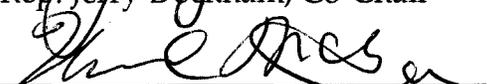
The Joint Legislative Economic Development and Global Engagement Oversight Committee submits to you for your consideration its report pursuant to G.S. 120-70.130.

Respectfully Submitted,

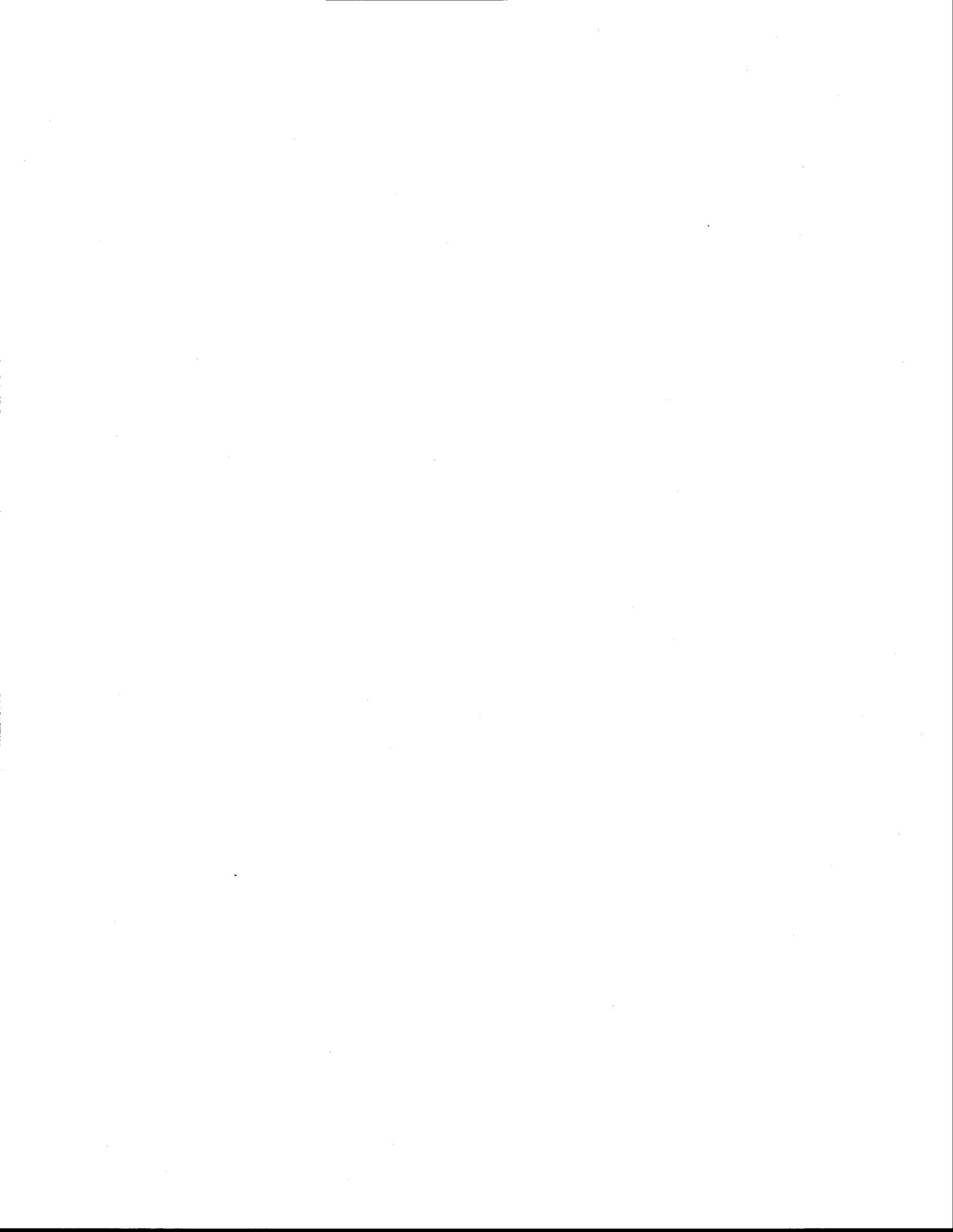


Sen. Harry Brown, Co-Chair



Rep. Jerry Dockham, Co-Chair


Rep. William McGee, Co-Chair



2011-2012

JOINT LEGISLATIVE ECONOMIC DEVELOPMENT AND GLOBAL ENGAGEMENT
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Staff:

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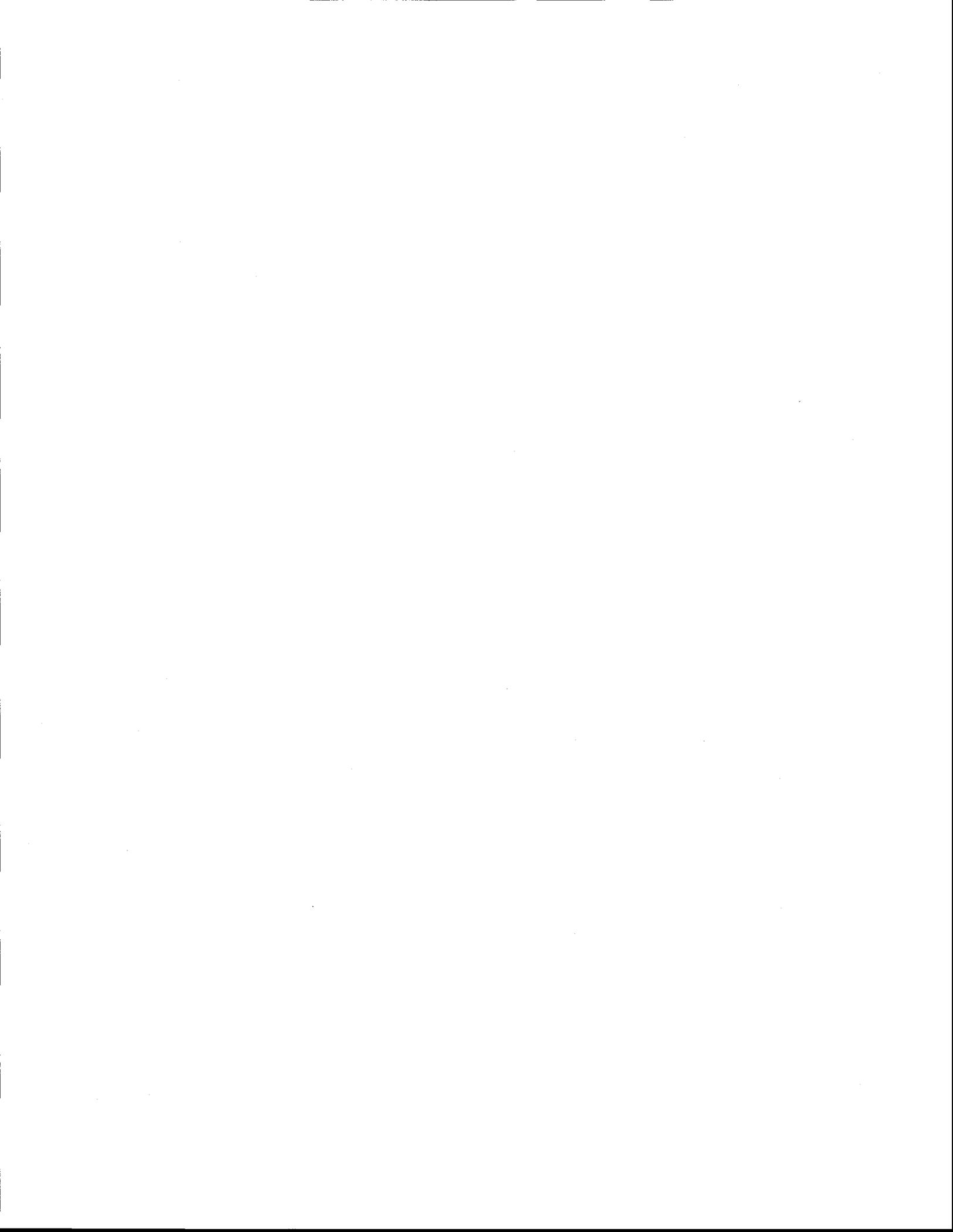
Regina Irwin, Committee Clerk

Cindy Avrette, Staff Attorney

Kristin Walker, Fiscal Analyst

Rodney Bizzell, Fiscal Analyst

Trina Griffin, Staff Attorney



PREFACE

The Joint Legislative Economic Development and Global Engagement Oversight Committee is established in Article 120 of Chapter 120 of the General Statutes to serve as a permanent legislative commission to review issues relating to economic growth and development in the global economy. The Committee consists of twenty-two members, eleven appointed by the President Pro Tempore of the Senate, at least three of whom are members of the minority party and eleven appointed by the Speaker of the House of Representatives, at least three of whom are members of the minority party.¹ The co-chairs for 2011-2012 are Senator Harry Brown and Representatives Jerry Dockham and William McGee.

The General Assembly created the Joint Select Economic Development Oversight Committee in 2003 based upon a recommendation of the Joint Select Committee on Economic Growth and Development to provide a standing study committee on the issue of economic development oversight. However, the committee went several years without members. Members were appointed for the first time in the fall of 2010 and met once in January 2011.

Since 2003, the General Assembly created two other committees in the area of economic development that influenced the purpose and scope of this Committee. In 2007, Senator Basnight and Speaker Hackney created a *Joint Select Committee on Economic Development Incentives*. That Committee contracted with the UNC Center for Competitive Economies and began the process of analyzing the effectiveness of the economic development programs supported by the State. One of the recommendations of the UNC Center report was to institute a legislative oversight function specifically to establish priorities for and assess performance of State and

¹ The President Pro Tempore of the Senate appointed a twelfth legislative member, a non-voting advisory member in 2011.

regional economic development agencies. This Committee can provide this legislative oversight function. In 2009, Senator Basnight and Speaker Hackney created the *Joint Select Committee on Global Engagement*. That Committee held meeting across the State and heard from parties interested in global economic development. At the recommendation of that Committee, the General Assembly expanded the scope of the 2003 Joint Legislative Economic Development Oversight Committee to include global business opportunities.

In its study of the economic development and global engagement issues, G.S. 120-70.131 gives the Committee a very broad scope, stating that the Committee "shall examine economic development and global engagement issues and strategies in North Carolina in order to make ongoing recommendations to the General Assembly on ways to promote cost-effective economic initiatives, economic growth, and stimulating job creation in the global economy." A copy of Article 120 of Chapter 120 of the General Statutes is included in Appendix A. A committee notebook containing the Committee minutes and all information presented to the Committee is filed in the Legislative Library and may also be accessed online at the Committee's website: <http://www.ncleg.net/committees/>.

COMMITTEE PROCEEDINGS

The Joint Legislative Economic Development and Global Engagement Oversight Committee met seven times after the adjournment of the 2011 Regular Session of the 2011 General Assembly on June 18, 2011. The Committee devoted about half of its time on the broad policy issue of how to provide meaningful and effective oversight. The Committee spent the other half of its time on specific economic development issues. Appendix B contains a copy of the Committee's agenda for each meeting. All of the materials distributed at the meetings may be viewed on the Committee's website.²

North Carolina's economy is big and hard to influence.³ Yet the State invests more than \$1.2 billion annually through tax expenditures and appropriations designed to incent economic development in the State.⁴ The Committee recognized the need for legislative oversight and accountability of the State's investment in economic development and it spent considerable time questioning how best to do provide it. From Jonathan Morgan's presentation⁵, the Committee learned that meaningful oversight involves the establishment of priorities, an assessment of expenditure and program performance, and an accounting of how well the expenditures and programs advance the State's economic development priorities. The challenge to providing meaningful and effective oversight in economic development is made greater by the number of entities involved. Economic development involves the legislative branch of government and the executive branch. Within the legislative branch, it involves not only the finance committees of the House of Representatives and Senate, but also

² North Carolina General Assembly - Joint Legislative Economic Development and Global Engagement Oversight Committee

³ Economic Development Oversight, presentation by Brent Lane, UNC Center for Competitive Economies, October 6, 2011

⁴ Economic Development Inventory

⁵ Best Practices in Providing Oversight for Economic Development, presentation by Jonathan Morgan, School of Government, November 2011

several different appropriation areas. Within the executive branch, it involves the departments of education, commerce, agriculture, State Treasurer, and transportation; the University of North Carolina university system; and the NC Community College System as well as other regulatory agencies. Economic development also involves every level of government and beyond: the State, regions, counties, and cities as well as nonprofits, economic developers, and businesses.

The Committee found that the General Assembly has provided for systematic, ongoing, and data-driven reports compiled by nonpartisan staff and departmental employees. The three primary venues the Legislature uses to review and collect data on State expenditures for economic development are:

- The bi-annual Economic Development Inventory, prepared by the Fiscal Research Division of the General Assembly.⁶
- The annual reports of the State's statutory tax incentives created to spur economic development, prepared by the Department of Revenue.⁷
- The annual reports of the various grant and loan programs administered by the Department of Commerce, prepared by the Department of Commerce.⁸

On a limited basis, the General Assembly has provided a forum for evaluating the data to determine if a specific program or expenditure is achieving its economic development purpose. The Committee reviewed the work of two previous studies:

- The 2009 evaluation of the State's statutory tax credit incentives and discretionary grant programs provided by the UNC Center for Competitive Economies.⁹
- The 2008 report on "*Improving Regional Economic Development through Structural Changes and Performance Measurement Incentives*", prepared by the Program Evaluation Division of the North Carolina General Assembly.¹⁰

⁶ See footnote #3.

⁷ Economic Incentives Report

⁸ NC Department of Commerce - Incentive Reports

⁹ An Evaluation of North Carolina's Economic Development Incentive Programs, Final Report, July 2009

The General Assembly has not developed a systematic means of periodically assessing all of the State's economic development expenditures. It is not clear who establishes the State's economic development policy goals and priorities; what, if any, performance measures are used to evaluate the economic development expenditures; who is responsible for monitoring the expenditures' performance based on those measures; and how the information is disseminated to legislators for use in the economic development policy and budget deliberations.

Jeff Chapman with the PEW Center on the States reviewed the PEW Center's report On "Evidence Counts: *Evaluating State Tax Incentives for Jobs and Growth*" for the Committee at its May 3rd meeting. The report, released in April 2012, found that North Carolina scored well for measuring economic impact of its incentives and for drawing clear conclusions from those measurements. The State did not score as well for incorporating that data into a systematic, policy review of the various incentives.

The Joint Legislative Economic Development and Global Engagement Oversight Committee is the legislative body that can bridge these gaps. The Committee identified some of the steps it needs to take in order to provide meaningful oversight: it needs to define the State's economic goals, align State policies and program missions with the economic goals, create performance measures, update and redefine as needed state and regional economic data, assess the progress of the economic goals, and educate legislative members. The Committee looked at how to integrate strategic planning, performance monitoring, and evaluation. It began this process by reviewing the work of the Economic Development Board and assessing the manner and type of data the Committee has available to it.

The Economic Development Board is a 31-member board with eight ex-officio members. The purpose of the Board is to provide economic development planning for the State, to develop a comprehensive economic development strategic plan, and to

¹⁰ Improving Regional Economic Development through Structural Changes and performance Measurement Incentives, PED, NCGA, May 2008

recommend economic development policy to the General Assembly, the Department of Commerce, and the Governor. The Committee reviewed the Board's comprehensive, strategic plan. The plan¹¹ has three over-arching goals and within each goal the Board lists objectives to achieve those goals:

- Create a globally-competitive business and economic development system.
- Develop and promote North Carolina as a global leader in innovation and technology with a highly educated and qualified workforce.
- Improve the prosperity of disadvantaged populations and communities across North Carolina.

S.L. 2011-145, Section 14.2, restructured the reporting requirement for the Economic Development Grant Report compiled by the Department of Commerce. The Committee worked with the Department of Commerce to develop a report the General Assembly could use to assess the performance of the various economic development incentives administered by the Department.¹² In the course of that work, the Committee received recommendations on statutory changes that could be made to simplify the reporting procedures, modernize some reporting procedures, and streamline reporting dates.

The Committee identified specific issues relevant to economic development in North Carolina and spent time examining them. The Committee did not make any findings or recommendations on these issues. The issues the Committee reviewed included the following:

- How the Department of Commerce pursues economic development and how the site selection process works.
- The economic outlook in the credit markets and the trends in small business lending.¹³

¹¹ Economic Development Board - Strategic Plan

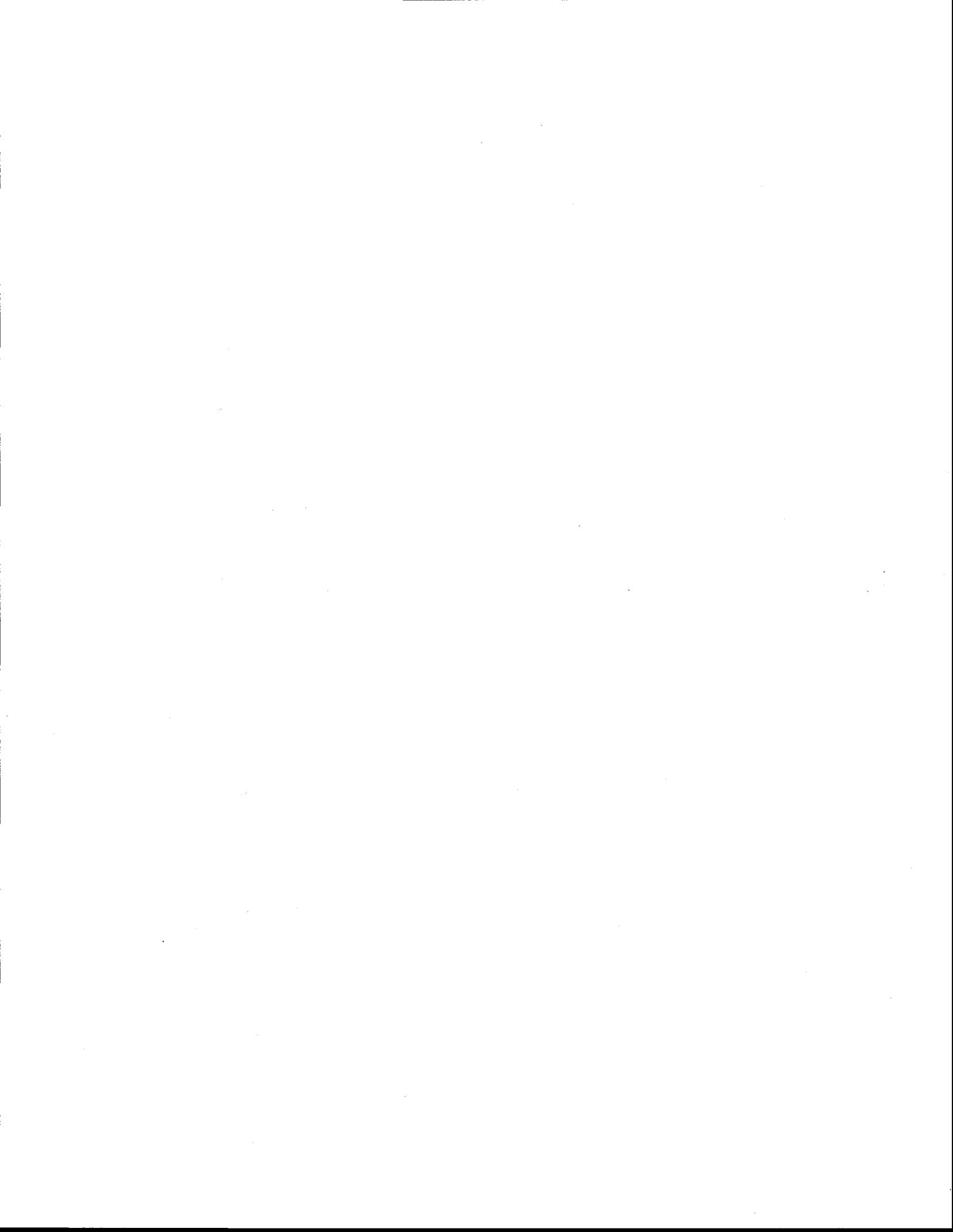
¹² 2012 Economic Development Grant Report

¹³ Meeting materials from the December 1, 2011, meeting

- The importance to North Carolina of being globally engaged and the need for the State to develop a state-level strategic plan for global engagement.¹⁴
- An overview of and a status report on North Carolina's Statewide Logistics Plan that addresses the State's long-term economic, mobility, and infrastructure needs.¹⁵

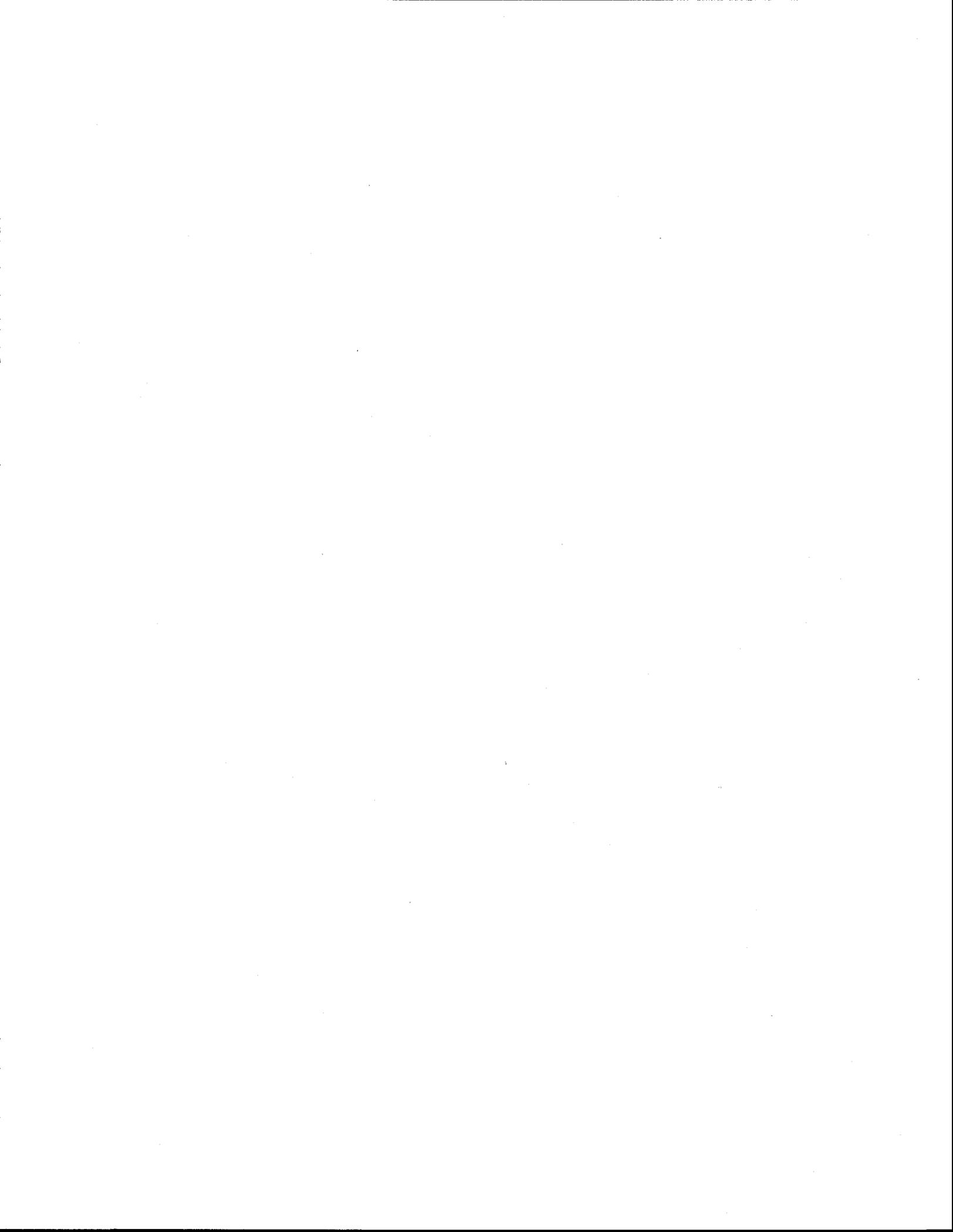
¹⁴ Meeting Materials from the February 2, 2012, Meeting

¹⁵ Handout on the NC Statewide Logistics Plan from the March 1, 2012, Meeting



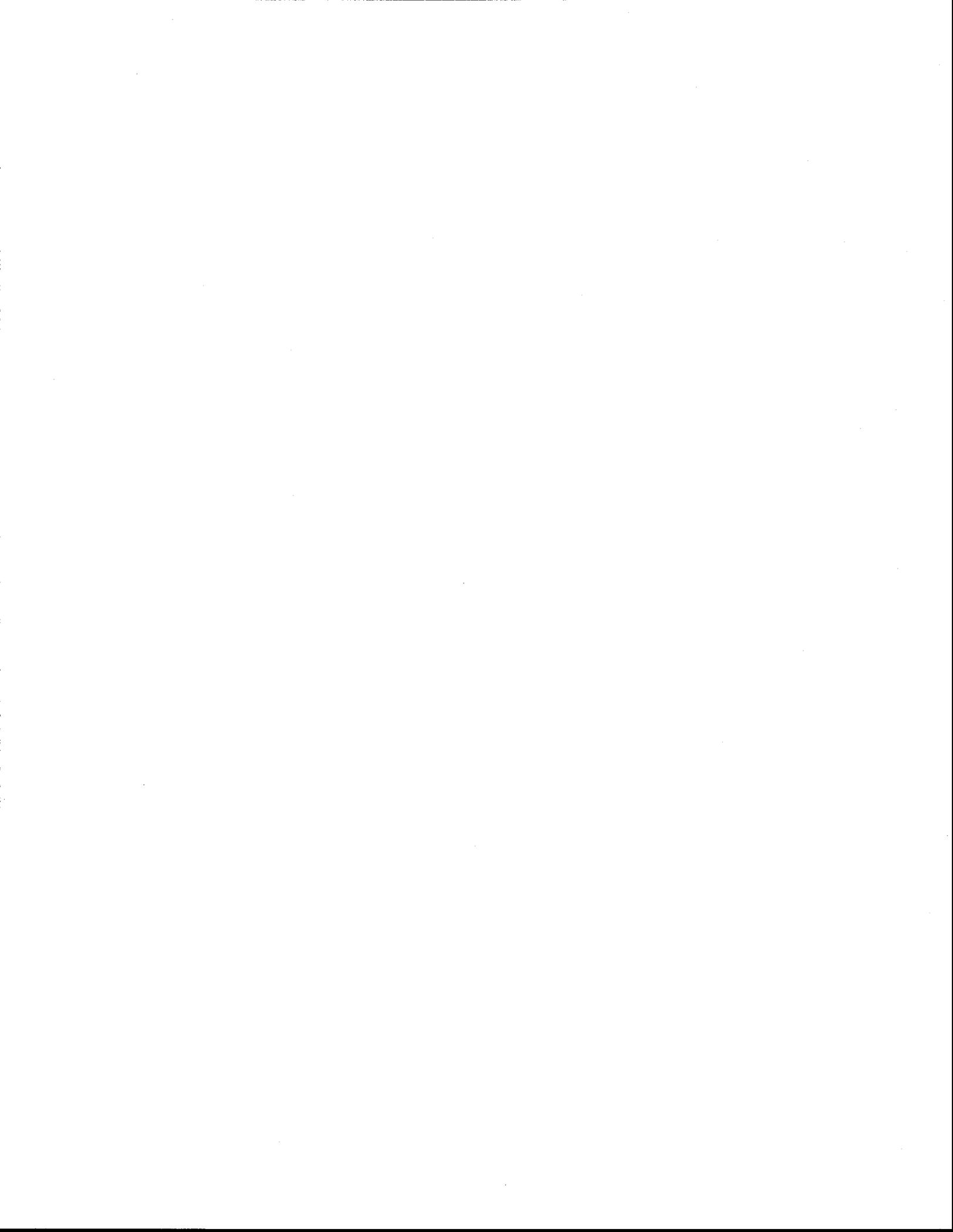
COMMITTEE RECOMMENDATIONS AND LEGISLATIVE PROPOSAL

The Joint Legislative Economic Development and Global Engagement Oversight Committee recommends to the 2012 General Assembly that the administration of the Comprehensive Strategic Economic Development Plan prepared by the Economic Development Board be modernized by recognizing the new ways of delivering information. It recommends that the Department of Commerce forward its bi-annual report on incentive claw-backs and its annual report on development tier designations to the Joint Legislative Commission on Governmental Operations and to the Fiscal Research Division of the North Carolina General Assembly. It recommends the removal of duplicative Commerce reports. Lastly, it recommends the following changes to the Economic Development Grant Report: move the annual reporting date from March 1 to October 1 to better coordinate with the legislative schedule and the receipt of fiscal year data; remove the quarterly update reporting requirement; list the various legislative committees to whom Commerce should remit the report; and specify the incentive programs to be included in the report. The following legislative proposal incorporates these recommendations.



LEGISLATIVE PROPOSAL

CHANGES TO COMMERCE REPORTING REQUIREMENTS



LEGISLATIVE PROPOSAL

A RECOMMENDATION OF THE JOINT LEGISLATIVE ECONOMIC DEVELOPMENT AND GLOBAL
ENGAGEMENT OVERSIGHT COMMITTEE
TO THE 2012 REGULAR SESSION OF THE 2011 GENERAL ASSEMBLY

**AN ACT TO MODERNIZE THE REQUIREMENTS OF THE
COMPREHENSIVE STRATEGIC ECONOMIC DEVELOPMENT PLAN AND
TO SIMPLIFY AND STREAMLINE OTHER REPORTING REQUIREMENTS
FOR THE DEPARTMENT OF COMMERCE.**

SHORT TITLE: Changes to Commerce Reporting Requirements.

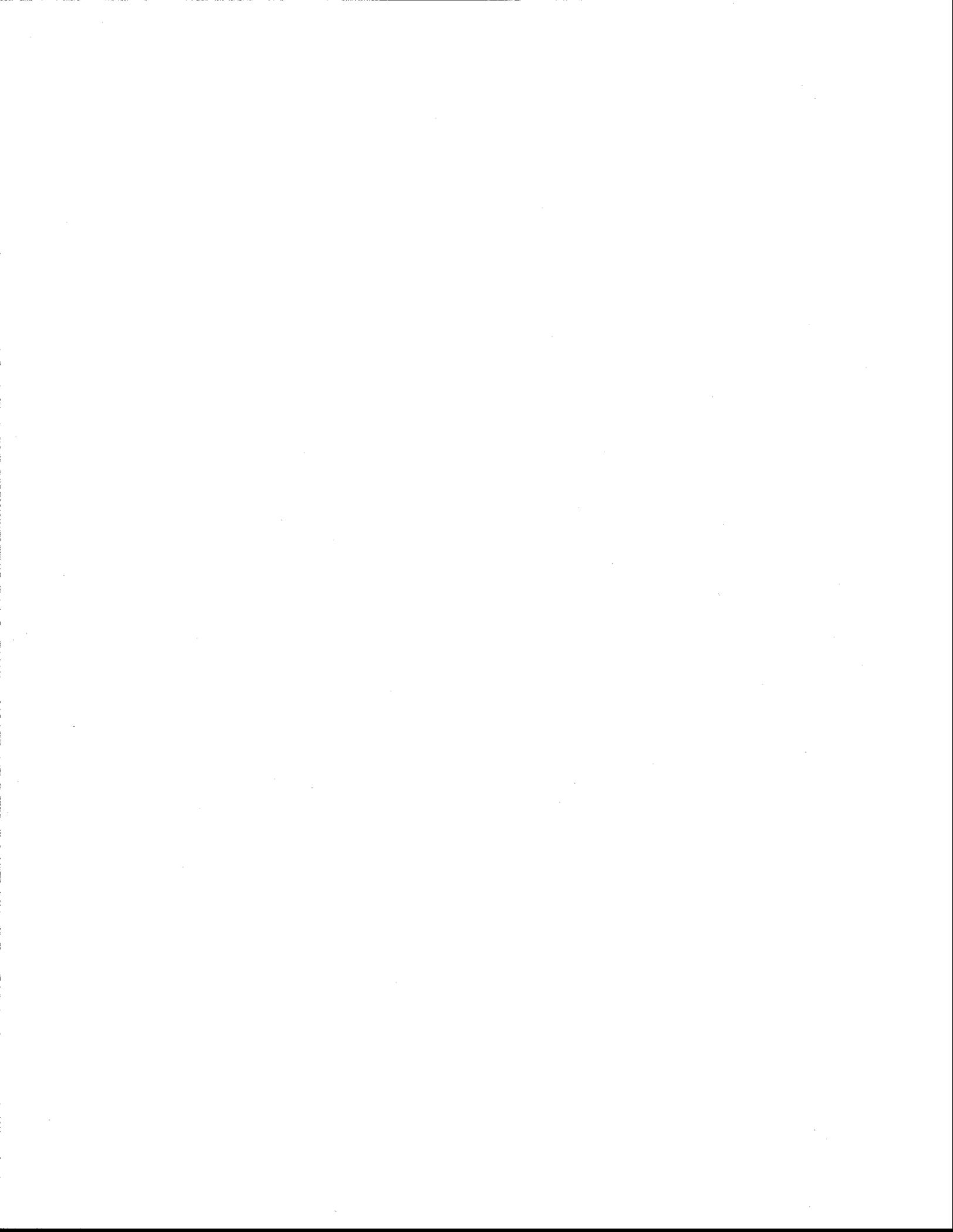
PRIMARY SPONSORS:

BRIEF OVERVIEW: This Legislative Proposal would make several changes to the reporting requirements of the Department of Commerce and the Economic Development Board to modernize and streamline the reporting process.

FISCAL IMPACT: N/A

EFFECTIVE DATE: This proposal would become effective when it becomes law.

A copy of the proposed legislation and a bill analysis begin on the next page.



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

H

D

HOUSE DRH30539-RBz-25* (05/01)

Short Title: Changes to Commerce Reporting Requirements.

(Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO MODERNIZE THE REQUIREMENTS OF THE COMPREHENSIVE STRATEGIC ECONOMIC DEVELOPMENT PLAN AND TO SIMPLIFY AND STREAMLINE OTHER REPORTING REQUIREMENTS FOR THE DEPARTMENT OF COMMERCE.

The General Assembly of North Carolina enacts:

SECTION 1. G.S. 143B-434.01 reads as rewritten:

"§ 143B-434.01. Comprehensive Strategic Economic Development Plan.

...
(e) Environmental Scan. – The first step in developing the Plan shall be to develop an environmental scan based on the input from economic development parties and the public and on information about the economic environment in North Carolina. To prepare the scan, the Board shall gather the following information. Thereafter, the information shall be updated periodically. information and ensure that the information is updated periodically. The updated information may be provided in whatever format and through whatever means is most efficient.

...
(f) Needs Assessment. — ~~The Board, using data from the public input sessions and the environmental scan, shall prepare an assessment of economic development strengths, weaknesses, threats, and opportunities within the State by Region and by county. An assessment shall also be conducted of each county to determine distressed areas existing within the county. The assessment will include the identification of key development issues within each geographic area and options available to address each issue.~~

...
(k) Annual Report. ~~Evaluation.~~ – ~~The Plan shall contain a section devoted to measuring results, to be called "An Annual Report on Economic Development for the State of North Carolina". The Annual Report shall contain a comparison of actual results~~

~~with~~ The Board shall annually evaluate the State's economic performance based upon the statistics listed in this subsection and upon the Board's stated goals and objectives in its Plan, and significant and meaningful statistics to allow policymakers to adjust strategy and tactics as necessary to achieve the formulated goals. The statistics upon which the evaluation is made should be available to policymakers. The information may be provided in whatever format and through whatever means is most efficient.

The Annual Report shall break down data by Regions and counties including:

...
(9) ~~An evaluation of the State's economic performance as indicated by the above statistics with the goals and objectives outlined in the Plan.~~

(l) Accountability. – The Board shall make all data, plans, and reports available to the General Assembly and Assembly, the Joint Legislative Commission on Governmental Operations ~~Operations~~, and the Joint Legislative Economic Development and Global Engagement Oversight Committee at appropriate times and upon request. The Board shall prepare and make available on an annual basis public reports on each of the major sections of the Plan and the Annual Report indicating the degree of success in attaining each development objective."

SECTION 2. G.S. 143B-435.1 reads as rewritten:

"§ 143B-435.1. Clawbacks.

...
(d) Report. – ~~The~~ By April 1 and October 1 of each year, the Department of Commerce shall report to the Revenue Laws Study Committee ~~by April 1 and October 1 of each year~~ Committee, the Joint Legislative Commission on Governmental Operations, and the Fiscal Research Division on all clawbacks that have been triggered under programs it administers and its progress on obtaining repayments. The report must include the name of each business, the event that triggered the clawback, and the amount forfeited or to be repaid."

SECTION 3. G.S. 143B-437.01(c) is repealed.

SECTION 4. G.S. 143B-437.07 reads as rewritten:

"§ 143B-437.07. Economic development grant reporting.

(a) Report. – The Department of Commerce must publish on or before ~~March~~ October 1 of each year the information required by this subsection, itemized by business entity, for each business or joint private venture to which the State has, in whole or in part, granted one or more economic development incentives during the previous five ealendar years. ~~The Department must provide the General Assembly with updated supplemental information consistent with this subsection on a quarterly basis in the form and manner requested by the General Assembly.~~ fiscal year. The information in the report must include all of the following:

...
(b) Online Posting/Posting/Written Submission. – The Department of Commerce must post on its Internet Web site a summary of the report compiled in subsection (a) of

this section. The summary report must include the information required by subdivisions (2), (9), (11), and (12) of subsection (a) of this section. By October 1 of each year, the Department of Commerce must submit the written report required by subsection (a) of this section to the Joint Legislative Commission on Governmental Operations, the Joint Legislative Economic Development and Global Engagement Oversight Committee, the Revenue Laws Study Committee, and the Fiscal Research Division of the General Assembly.

(c) **Economic Development Incentive.** – An economic development incentive includes any grant program administered by the Department of Commerce that disburses or awards monies to businesses. ~~Examples of these grant programs include the~~ from the following programs: Job Development Investment Grant Program, Programs; the Job Maintenance and Capital Development Fund, Fund; One North Carolina Fund, Fund; and the Industrial Development Fund, including the Utility Account. The State also incents economic development through the use of tax expenditures in the form of tax credits and refunds. The Department of Revenue must report annually on these statutory economic development incentives, as required under G.S. 105-256."

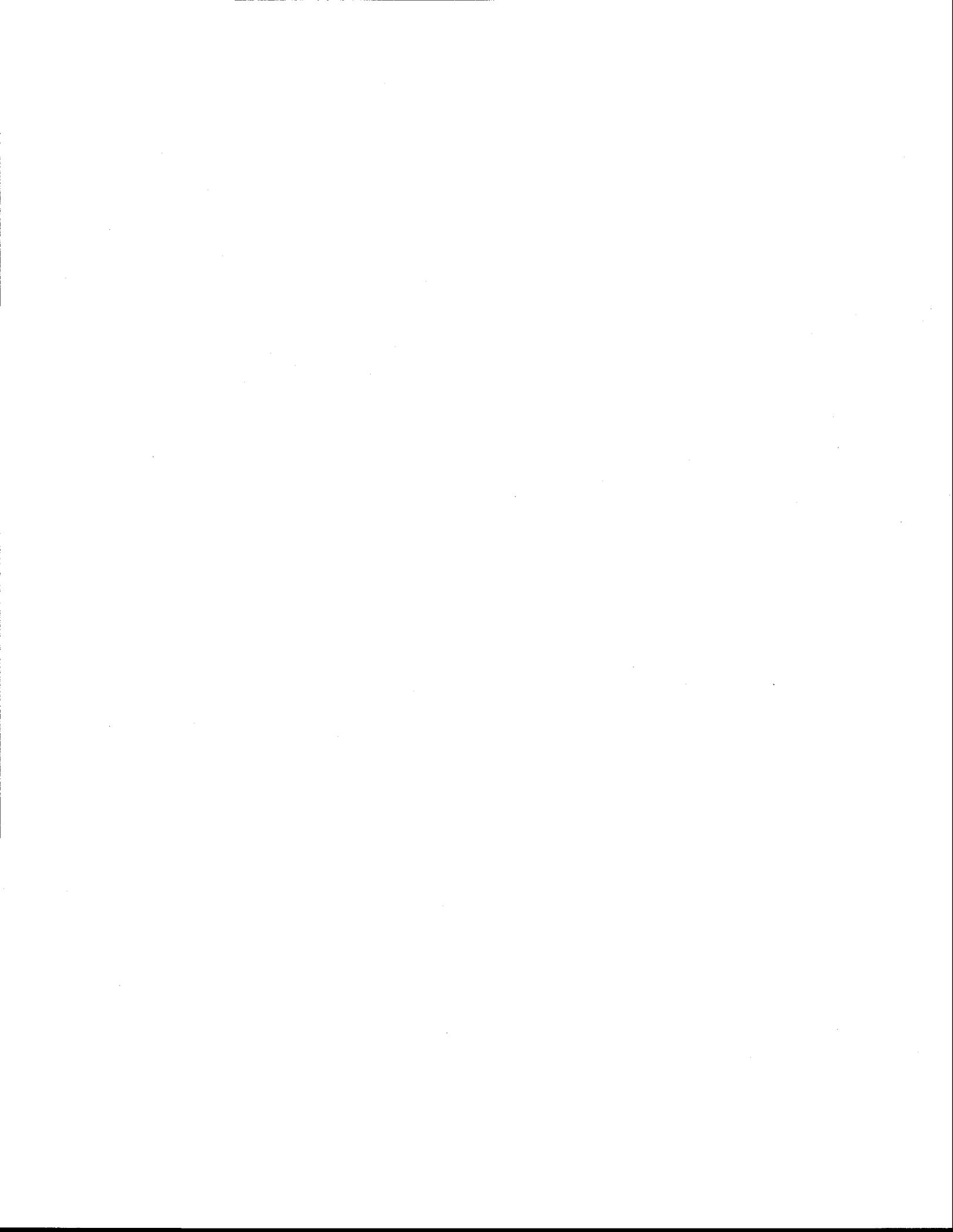
SECTION 5. G.S. 143B-437.08 reads as rewritten:

"§ 143B-437.08. Development tier designation.

...
(k) Report. – By November 30 of each year, the Secretary of Commerce shall submit a written report to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division on the tier rankings required by subsection (c) of this section, including a map of the State whereupon the tier ranking of each county is designated."

SECTION 6. G.S. 143B-437.55(d) is repealed.

SECTION 7. This act is effective when it becomes law.





Bill Draft 2011-RBz-25: Changes to Commerce Reporting Requirements.

2011-2012 General Assembly

Committee:	Joint Legislative Economic Development and Global Engagement Oversight Committee	Date:	May 3, 2012
Introduced by:		Prepared by:	Cindy Avrette
Analysis of:	2011-RBz-25		Committee Counsel

SUMMARY: *The proposed draft makes several changes to the reporting requirements of the Department of Commerce and the Economic Development Board.*

BILL ANALYSIS: The Comprehensive Strategic Economic Development Plan prepared by the Economic Development Board contains specific reporting requirements. The language has not changed substantively since the General Assembly enacted it in 1993. However, since 1993, much of the data required to be compiled and published by the Board is readily available through other means such as "AccessNC", "NC Today", "Economic Index", "Demand Driven Data System", and other monthly reports. To remove duplicity from the process, Section 1 of the bill removes some of the reporting requirements of the Board. It does not eliminate the need for the information, but recognizes that it may be available through other means than a formal report compiled by the Board.

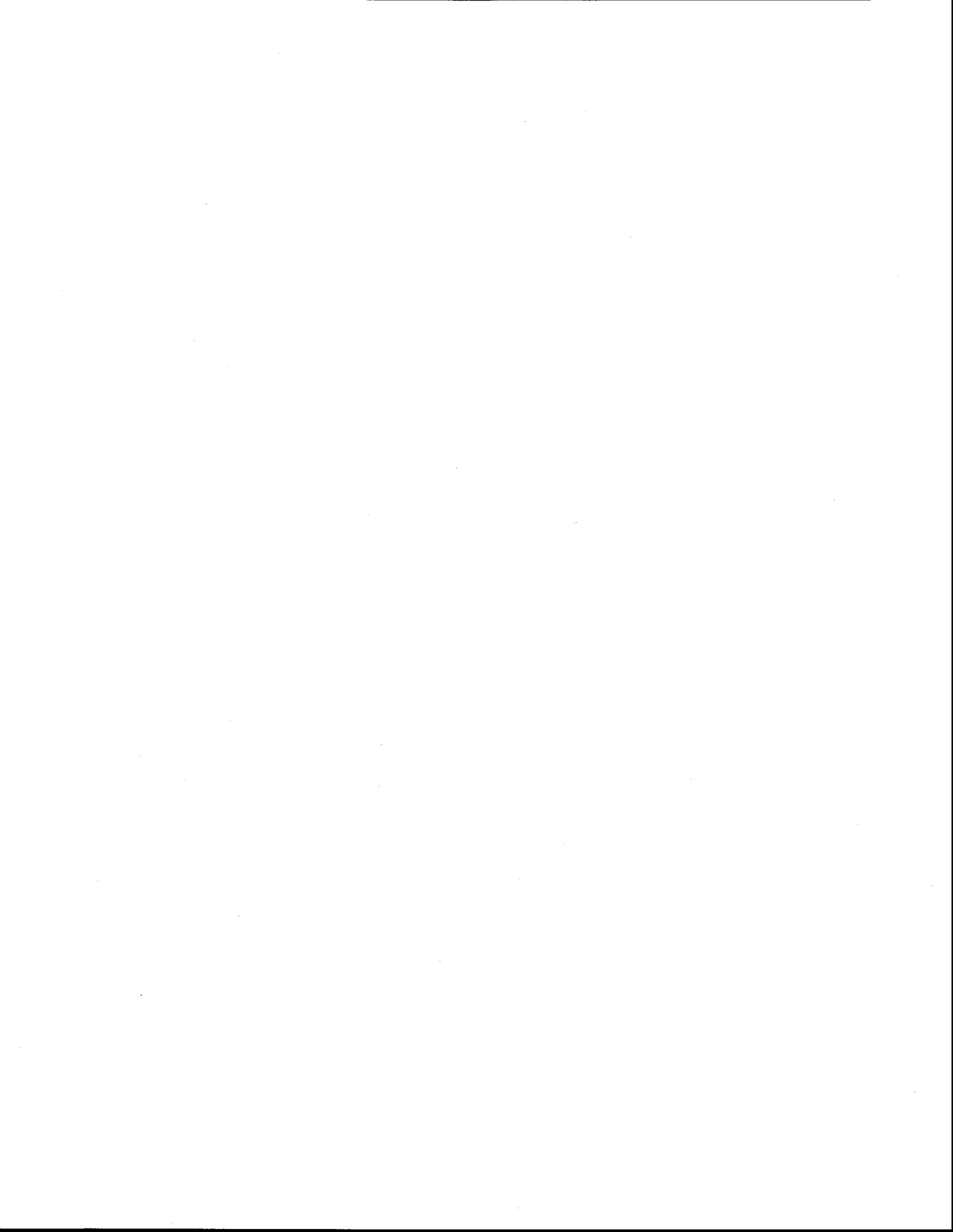
Sections 2 and 5 add the Joint Legislative Commission on Governmental Operations and Fiscal Research to the list of entities to whom Commerce should forward its bi-annual report on claw-backs and its annual report on development tier designations.

Sections 3 and 6 remove duplicative reporting requirements.

Section 4 makes changes to the Economic Development Grant report. The Secretary of Commerce suggested these changes to the Committee at its meeting in March. It changes the reporting date from March 1 to October 1. It removes the quarterly reporting requirement because the report changes little from quarter to quarter. It lists various legislative committees to whom Commerce must submit its written report. And lastly it specifies the programs that much be included in the report.

EFFECTIVE DATE: This proposal would become effective when it becomes law.

2011-RBz-25-SMRB-119 v1

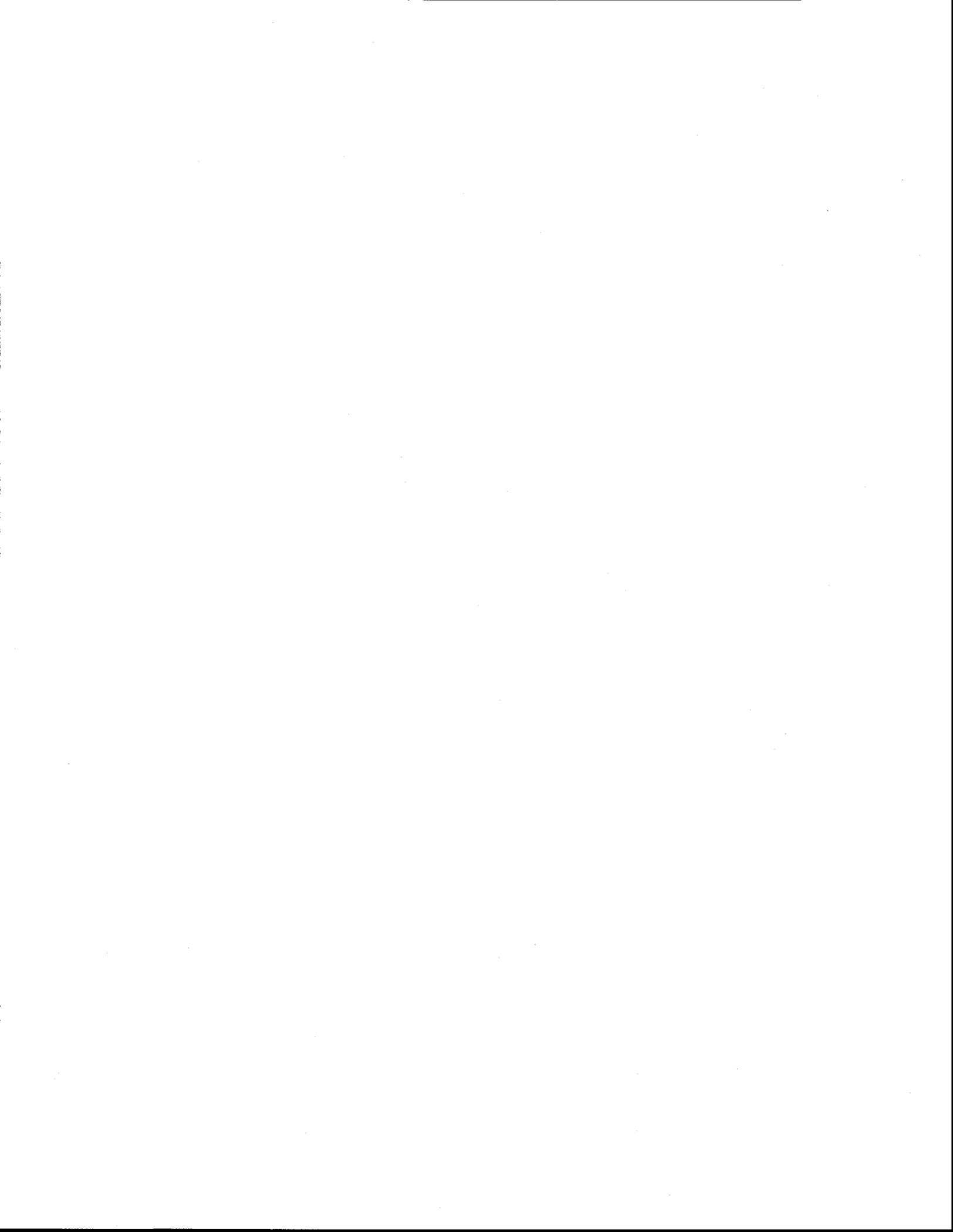


APPENDIX A

AUTHORIZING LEGISLATION ARTICLE 120 OF CHAPTER 120 OF THE GENERAL STATUTES

ALL MATERIALS DISTRIBUTED AT MEETINGS MAY BE
VIEWED ON THE COMMITTEE'S WEBSITE:

<http://www.ncleg.net/committees/>



ARTICLE 120.

Joint Legislative Economic Development and Global Engagement Oversight Committee.
§ 120-70.130. Creation and membership of Joint Legislative Economic Development and Global Engagement Oversight Committee.

The Joint Legislative Economic Development and Global Engagement Oversight Committee is established. The Committee consists of 22 members as follows:

- (1) Eleven members of the Senate appointed by the President Pro Tempore of the Senate, at least three of whom are members of the minority party; and
- (2) Eleven members of the House of Representatives appointed by the Speaker of the House of Representatives, at least three of whom are members of the minority party.

Terms on the Committee are for two years and begin on the convening of the General Assembly in each odd-numbered year, except the terms of the initial members, which begin on appointment and end on the day of the convening of the 2007 General Assembly. Members may complete a term of service on the Committee even if they do not seek reelection or are not reelected to the General Assembly, but resignation or removal from service in the General Assembly constitutes resignation or removal from service on the Committee.

A member continues to serve until a successor is appointed. A vacancy shall be filled by the officer who made the original appointment. (2005-241, s. 7; 2011-291, s. 1.10(a); 2011-292, s. 1.)

§ 120-70.131. Purpose and powers of Committee.

(a) The Joint Legislative Economic Development and Global Engagement Oversight Committee shall examine, on a continuing basis, economic development and global engagement issues and strategies in North Carolina in order to make ongoing recommendations to the General Assembly on ways to promote cost-effective economic development initiatives, economic growth, and stimulating job creation in the global economy. In this examination, the Committee may:

- (1) Study the budgets, programs, and policies of the Department of Commerce, the North Carolina Partnership for Economic Development, and other State, regional, and local entities involved in economic development.
- (2) Analyze legislation from other states regarding economic development.
- (3) Analyze proposals produced by the Economic Development Board.
- (3a) Request the Department of Commerce to provide an annual report by January 15 of each year on the effectiveness of the following economic development programs:
 - a. Job Development Investment Grant Program (JDIG).

- b. One North Carolina.
 - c. Article 3J Credits.
 - d. Job Maintenance and Capital Development Fund (JMAC).
- (4) Analyze North Carolina's current international activity in the business, State government, and education sectors.
 - (5) Analyze barriers to international trade that may be addressed by legislation.
 - (6) Explore ways to increase coordination, synchronization, and intercommunication between State and local governmental entities.
 - (7) Collect and analyze data on global business trends.
 - (8) Study foreign representation opportunities for North Carolina that could solicit, target, educate, and recruit international businesses to North Carolina.
 - (9) Analyze incentives designed to encourage small businesses to export goods and service solutions.
 - (10) Study methods for positioning North Carolina as a portal to North America for international trade.
 - (11) Explore opportunities to increase foreign direct investment in North Carolina.
 - (12) Study any other matters that the Committee considers necessary to fulfill its mandate.

(b) The Committee may make interim reports to the General Assembly on matters for which it may report to a regular session of the General Assembly. A report to the General Assembly may contain any legislation needed to implement a recommendation of the Committee. (2005-241, s. 7; 2011-291, s. 1.10(b); 2011-292, s. 1.)

§ 120-70.132. Organization of Committee.

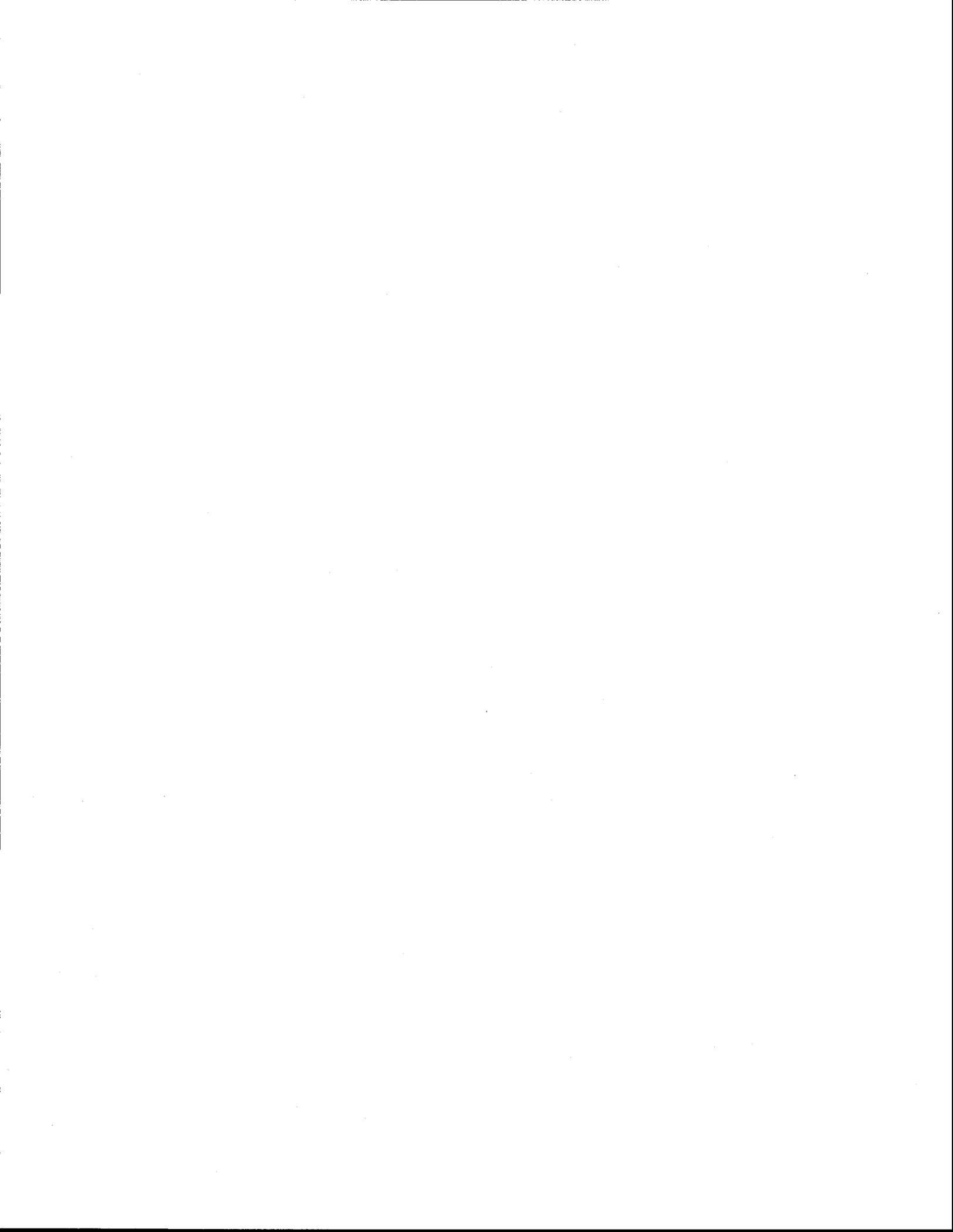
(a) The President Pro Tempore of the Senate and the Speaker of the House of Representatives shall each designate a cochair of the Joint Legislative Economic Development and Global Engagement Oversight Committee. The Committee shall meet upon the joint call of the cochairs.

(b) A quorum of the Committee is seven members. Only recommendations, including proposed legislation, receiving at least six affirmative votes may be included in a Committee report to the General Assembly. While in the discharge of its official duties, the Committee has the powers of a joint committee under G.S. 120-19 and G.S. 120-19.1 through G.S. 120-19.4.

(c) The cochairs of the Committee may call upon other knowledgeable persons or experts to assist the Committee in its work.

(d) Members of the Committee shall receive subsistence and travel expenses as provided in G.S. 120-3.1, 138-5, or 138-6, as appropriate. The Committee may contract for consultants or hire employees in accordance with G.S. 120-32.02. The Legislative

Services Commission, through the Legislative Services Officer, shall assign professional staff to assist the Committee in its work. Upon the direction of the Legislative Services Commission, the Supervisors of Clerks of the Senate and of the House of Representatives shall assign clerical staff to the Committee. The expenses for clerical employees shall be borne by the Committee. (2005-241, s. 7; 2011-292, s. 1.)



APPENDIX B

MEETING AGENDAS

**ALL MATERIALS DISTRIBUTED AT MEETINGS MAY BE
VIEWED ON THE COMMITTEE'S WEBSITE:**

<http://www.ncleg.net/committees/>



Joint Legislative Economic Development and Global Engagement Oversight Committee Meeting Agenda

Thursday, October 6, 2011

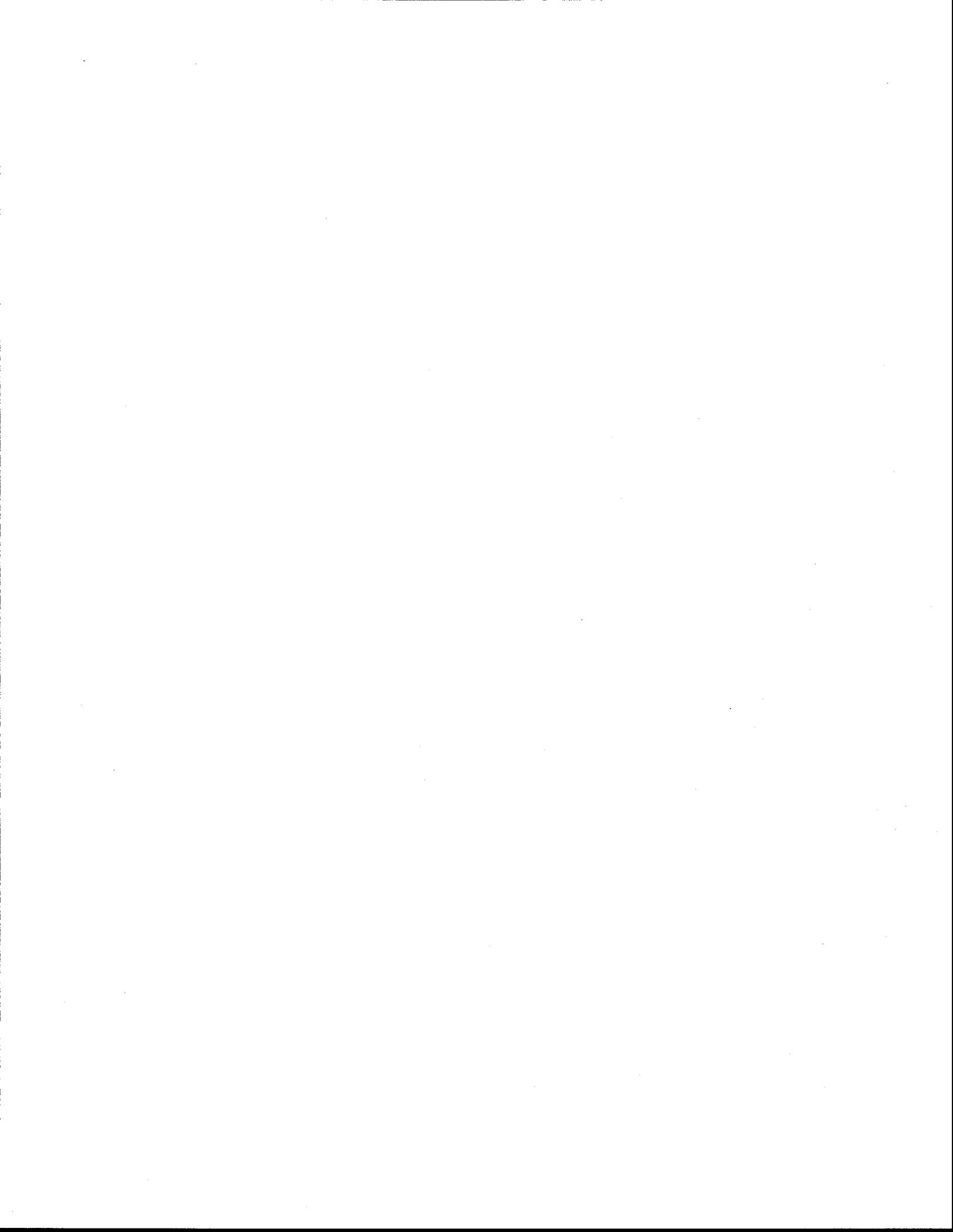
9:00 am, Room 643 LOB

Rep. Jerry Dockham
Co-Chair

Sen. Harry Brown
Co-Chair

Rep. Bill McGee
Co-Chair

- I. **Welcome and Introductions**
- II. **Committee Authorization**
Trina Griffin, Research Division
- III. **Economic Picture of the State**
*Brent Lane, Executive Director, Center for Competitive Economies,
Kenan-Flagler Business School, UNC-Chapel Hill*
- III. **Economic Development Inventory**
Rodney Bizzell, Fiscal Research Division
Kristin Walker, Fiscal Research Division
- IV. **Department of Commerce Overview**
 - **How does Commerce Pursue Economic Development?**
Keith Crisco, Secretary, Department of Commerce
 - **How Does the Site Selection Process Work?**
*Susan Fleetwood, Director, Business and Industry Division,
Department of Commerce*
- V. **Adjournment**



Joint Legislative Economic Development and Global Engagement Oversight Committee Meeting Agenda

Thursday, November 3, 2011

9:00 am, Room 643 LOB

Rep. Jerry Dockham
Co-Chair

Sen. Harry Brown
Co-Chair

Rep. Bill McGee
Co-Chair

- I. **Approval of Minutes from the October 6, 2011 Meeting**

- II. **Economic Development Inventory**
Jonathan Tart, Fiscal Research Division
Kristin Walker, Fiscal Research Division

- III. **An Evaluation of North Carolina's Economic Development Incentive Programs, Final Report, July 2009**
Jason Jolley, Senior Research Director, UNC Center for Competitive Economies

- IV. **Best Practices in Providing Effective Oversight**
Jonathan Morgan, UNC School of Government

- V. **Adjournment**



Joint Legislative Economic Development and Global Engagement Oversight Committee Meeting Agenda

Thursday, December 1, 2011

9:00 am, Room 643 LOB

*Rep. Jerry Dockham
Co-Chair*

*Sen. Harry Brown
Co-Chair*

*Rep. Bill McGee
Co-Chair*

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- I. **Approval of Minutes from the November 3, 2011 Meeting**
 - II. **Access to Capital**
 - **Economic Outlook and Credit Markets**
Mike Walden, Economist, NCSU
 - **Trends in Small Business Lending**
 - *Ray Grace, Deputy Commissioner, Banking Commission*
 - *Larry Barbour, CEO of North State Bank*
 - *Mark Edwards, President of BB&T's Small Business Group*
 - *Rose Connor, Assistant Administrator, NC Credit Union Division*
 - *Brian Schneiderman, Director of Commercial Lending, Self-Help*
 - *Patrick Woodie, Vice President of Rural Development Programs*
 - III. **Economic Development Board**
 - **Statutory Authority, Duties, and Funding**
Claire Hester, Fiscal Research Division
 - **2009-2012 Statewide Strategic Plan and 2010 Annual Report**
Stephanie McGarrah, Department of Commerce
 - IV. **Commerce Reporting Requirement: Draft Report**
Dale Carroll, Deputy Secretary, Department of Commerce
 - V. **Adjournment**



Joint Legislative Economic Development and Global Engagement Oversight Committee Meeting Agenda

Thursday, January 5, 2012

9:00 am, Room 544 LOB

Rep. Jerry Dockham
Co-Chair

Sen. Harry Brown
Co-Chair

Rep. Bill McGee
Co-Chair

I. Approval of Minutes from the December 1, 2011 Meeting

At its first meeting, the Committee discussed the need for the legislative body to provide regular and informed assessment of NC's economic development goals. At its second meeting, the Committee discussed best practices in providing effective oversight and assessment. Those practices include establishing priorities, assessing performance of state and regional economic development organizations, and strengthening accountability.

Today the Committee will learn about the Economic Development Board and its role in the State's economic development process. It will also review a report based on work conducted by the Performance Evaluation Division 3 ½ years ago concerning the regional partnerships. Although the report is dated, its discussion of performance measurement incentives is relevant as the Committee considers how best to provide legislative economic development oversight.

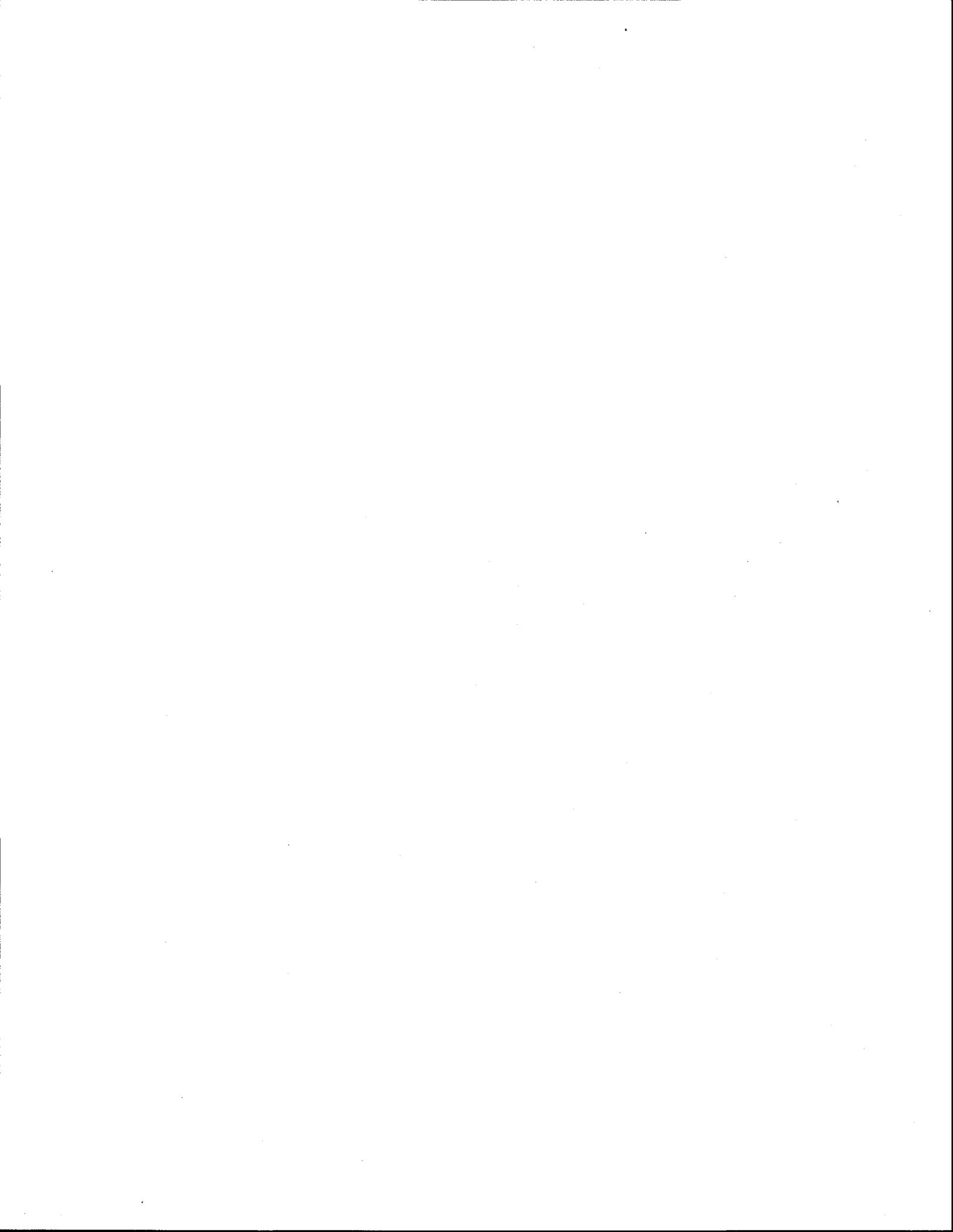
II. Economic Development Board

- **Statutory Authority, Duties, and Funding**
Claire Hester, Fiscal Research Division
- **2009-2012 Statewide Strategic Plan and 2010 Annual Report**
Stephanie McGarrah, Department of Commerce

III. PED Report: Improving Regional Economic Development through Structural Changes and Performance Measurement Incentives, May 2008

Michelle Beck, Program Evaluation Division, NCGA

IV. Adjournment



Joint Legislative Economic Development and Global Engagement Oversight Committee Meeting Agenda

Thursday, February 2, 2012

9:00 am, Room 643 LOB

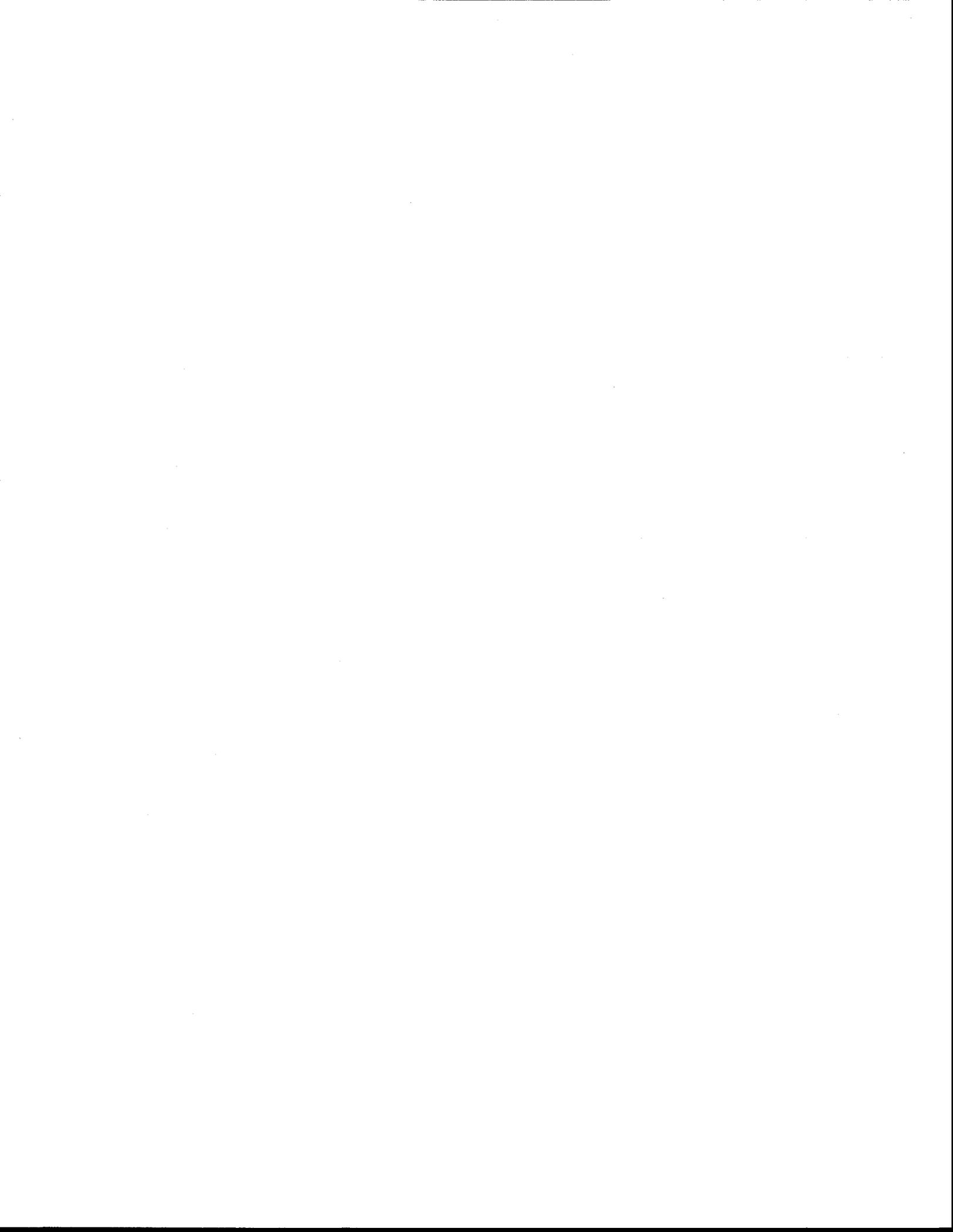
Rep. Jerry Dockham
Co-Chair

Sen. Harry Brown
Co-Chair

Rep. Bill McGee
Co-Chair

The focus of today's meeting is North Carolina's position in the global marketplace.

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- I. Approval of Minutes from the January 5, 2012 Meeting**
 - II. Overview on North Carolina Department of Commerce's International Trade and Investment Division**
Jean Davis, Director of the International Trade Division, NC Department of Commerce
 - III. Role of the NC Treasurer's Office in State Global Engagement**
Janet Cowell, State Treasurer
 - III. Role of the Department of Agriculture in State Global Engagement**
Robert Hosford, International Trade Office, Marketing Division, Department of Agriculture
 - IV. Overview of Global Leaders Program to China, 2011**
 - *Adam Hartzell, Executive Director, UNC Center for International Understanding*
 - *Meredith Henderson, Senior Director of Programs, UNC Center for International Understanding*
 - V. Adjournment**



Joint Legislative Economic Development and Global Engagement Oversight Committee Meeting Agenda

Thursday, March 1, 2012

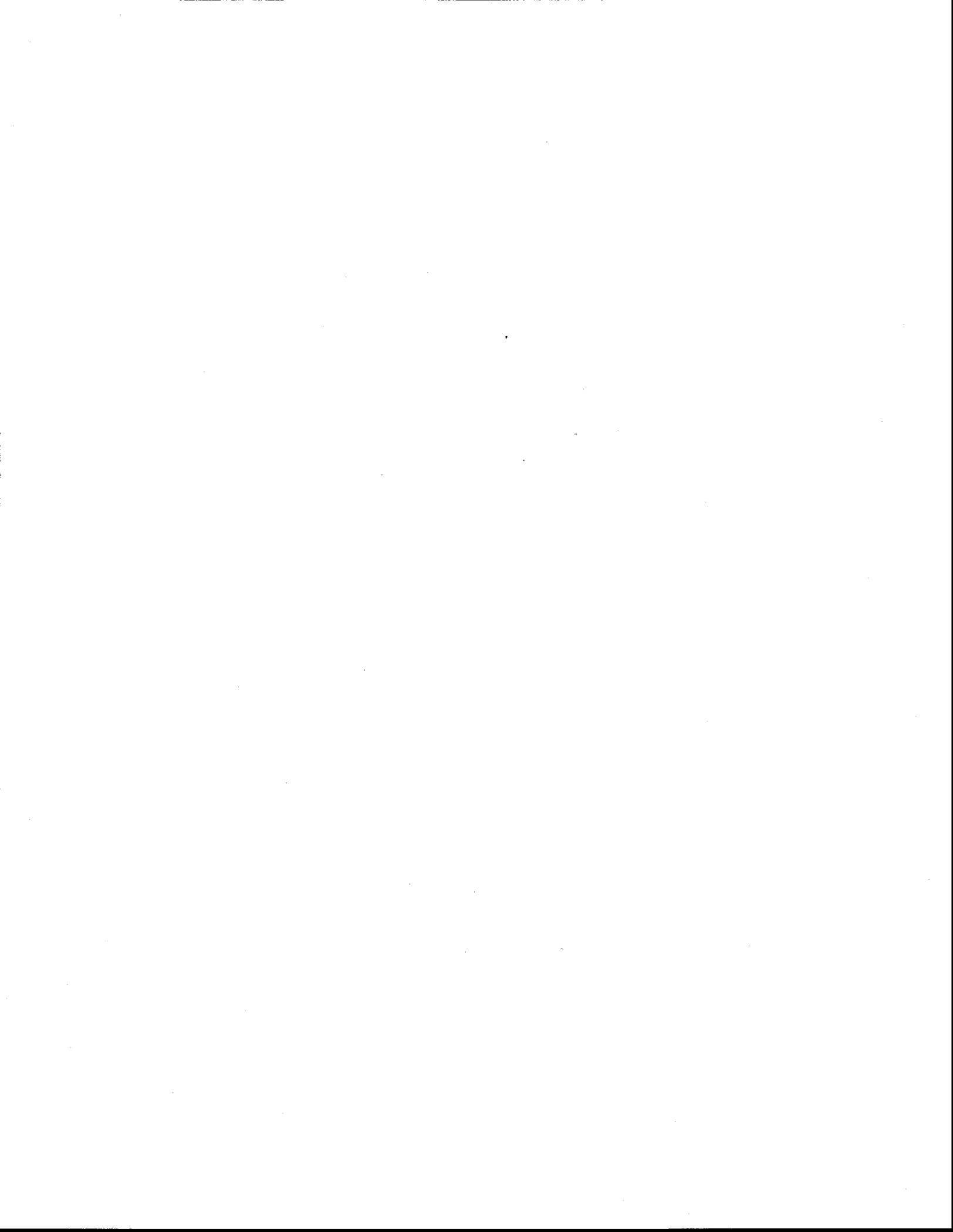
9:00 am, Room 544 LOB

*Rep. Jerry Dockham
Co-Chair*

*Sen. Harry Brown
Co-Chair*

*Rep. Bill McGee
Co-Chair*

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- I. Approval of Minutes from the January 5, 2012 Meeting**
- II. Economic Incentives Reports**
- A. Department of Revenue: G.S. 105-256(a)(2a): ... *an economic incentives report that contains information on tax credits and tax refunds, itemized by credit or refund and by taxpayer ...***
- Bill Spencer, Director of the Policy Analysis and Statistics Division,
Department of Revenue*
- B. Department of Commerce: G.S. 143B-437.07: ... *an economic development grant report itemized by business entity for any grant program administered by the Department ...***
- Keith Crisco, Secretary, Department of Commerce*
- III. NC State Ports**
- At its February meeting the Committee discussed the role of North Carolina's ports in the State's global engagement of economic development. This portion of today's agenda will give the Committee additional background on the ports, the issues and limitations of the ports, and the role the ports play in the statewide logistics plan.***
- Jeff Strader, CFO, North Carolina Ports Authority*
- Roberto Canales, Coordinator of Strategic Initiatives, Department of Transportation*
- IV. Adjournment**



Joint Legislative Economic Development and Global Engagement Oversight Committee Meeting Agenda

Thursday, May 3, 2012

9:00 am, Room 544 LOB

Rep. Jerry Dockham
Co-Chair

Sen. Harry Brown
Co-Chair

Rep. Bill McGee
Co-Chair

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- I. **Welcome and Introductions**
 - II. **Approval of Minutes from the Feb. 2nd and March 3rd Meetings**
 - III. **Report to the 2011-2012 General Assembly**
 - **Overview of Committee's Proceedings To-Date**
Cindy Avrette, Research Division, NCGA
 - **Bill Draft: Changes to Commerce Reporting Requirements**
Cindy Avrette, Research Division, NCGA
Kristin Walker, Fiscal Research Division, NCGA
 - **Approval of Report**
 - IV. **PEW Center on the States Report: "Evidence Counts: *Evaluating State Tax Incentives for Jobs and Growth*" (Released April 2012)**
Jeff Chapman, Manager, Research, Pew Center on the States, The Pew Charitable Trusts
[Pew Center on the States: Do States' Tax Breaks Work?](http://www.pewstates.org/research/reports/evidence-counts-85899378806)
<http://www.pewstates.org/research/reports/evidence-counts-85899378806>
 - V. **Regional Boundaries**
 - Overview**
Rodney Bizzell, Fiscal Research Division, NCGA
 - Education Regions**
Ann McColl, Legislative Director, North Carolina State Board of Education
 - NC Partnership for Economic Development: Seven Regional Partnerships**
John Chaffee, President and CEO of North Carolina's Eastern Region
 - NC Council of Governments**
Joe McKinney, Chair of the N.C. Association of Regional Councils and Executive Director of Land of Sky Regional Council in Asheville
 - Commerce**
Susan Fleetwood, Director, Division of Business and Industry, NC Department of Commerce
 - Transportation**
Bobby Lewis, Chief of Staff, NC Department of Transportation
 - VI **Adjournment**

